

## **Committee Decides Changes to Rate Rules Meet Objection Concerns**

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HELENA -- A majority of the members of an interim legislative committee have decided that four rules reducing reimbursement rates for providers of health care and human services have been changed in a way that addresses an objection the committee made to the rules.

That determination will allow the revised rules to go into effect on Jan. 1. The rules will cut provider rates by 2.99 percent, rather than 3.47 percent as originally proposed by the Department of Public Health and Human Services.

Five members of the Children, Families, Health, and Human Services Interim Committee notified the presiding officer in recent weeks that they believed changes by DPHHS addressed the concerns the committee had raised in objecting to the rules last month.

During a conference call on Nov. 8, the committee voted 7-1 to formally object to the proposed rules. The committee's objection said that DPHHS did not comply with laws governing the rulemaking process because the agency failed to show a reasonable need for rate reductions of 3.47 percent.

DPHHS had proposed the rate cuts in response to spending reductions that were triggered when fiscal year 2017 revenues fell below targets set by the 2017 Legislature. While the legislation triggering the cuts called for some cuts to provider rates, the committee said DPHHS had not sufficiently explained the reasons for the 3.47 percent reduction.

The committee's objection effectively prevented DPHHS from putting the rules into effect until after the end of the next legislative session in 2019.

DPHHS subsequently reduced the rate cuts to 2.99 percent and adopted the rules, knowing that the rules could not go into effect unless a majority of the interim committee decided that the changes complied with the committee's concerns.

The five members who said the changes addressed their concerns were Rep. Kathy Kelker, D-Billings; Rep. Dennis Lenz, R-Billings; Sen. Eric Moore, R-Miles City; Sen. Al Olszewski, R-Kalispell; and Rep. Gordon Pierson, D-Deer Lodge.

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